

### Asst. Prof. Passakorn Implements the Policy of the Minister of Industry to "Reform the Industry" and Discusses with the Association on Promoting the Defense Industry

On October 17, 2024, Mr. Passakorn Chairat, Director-General of the Department of Industrial Promotion and Acting Director of the Office of Industrial Economics, along with Miss Pato Tongjul, Director of the Division of Sectoral Industrial Policy 1 (SIP 1), and officials from SIP 1, met with the Industry for National Defense & Security Association to discuss the "Industrial Restructuring" policy assigned by Mr. Ekanat Promphan, Minister of Industry. The meeting was led by ACM Manat Wongwat, President of the Association, and held in Conference Room 202, 2<sup>nd</sup> Floor, Office of Industrial Economics.

The association presented its previous accomplishments, divided into 12 industrial groups, to support the use of local content within the country and to promote Thai entrepreneurs' competitiveness in the global market. The association requested that the government focus on four target industries: firearms and ammunition, combat/support vehicles, unmanned aerial vehicles (UAVs), and shipbuilding, as well as support for EV conversion. The discussion included challenges such as high import duties on raw materials and parts compared to finished products, leading to higher production costs for Thai defense vehicles, a lack of central certification for UAV standards, limited technology transfer, low-cost second-hand ship imports from abroad that do not meet safety and quality standards, a shortage of skilled personnel in shipbuilding, and the inability to register domestically produced firearms due to the outdated 1940 Firearms Act, which was created before local firearm manufacturers existed. The progress in developing the defense industry includes 1) Registration of domestically produced firearms: The Ministry of Interior is in the process of amending laws to support the growth of Thailand's defense industry. 2) Licensing for factory operation (Ror Ngor. 4): The Department of Industrial Works is reviewing laws to extend Ror Ngor. 4 to cover machinery used in weapons production. 3) Development of a defense industry database: The Office of Industrial Economics is working on establishing this database during the 2025 fiscal year and has requested cooperation from the association for future data exchanges.

